

August 19, 2005

California Department of Water Resources
Division of Planning and Local Assistance
Attn: Tracie Billington
P.O. Box 942836
Sacramento, CA 94236-0001

Re: Draft PSP, Integrated Regional Water Management Implementation Grants, Step 2

Dear Ms. Billington,

Staff of the Santa Barbara County Water Agency (SBCWA) has reviewed the Draft PSP for the Integrated Regional Water Management Implementation Grants, Step 2. SBCWA is the agency coordinating the development of our region's IRWM Plan and application for IRWM Grants. We have extensive experience with grants from wide range of public and private sources. In our opinion, the Prop 50 process has already taken too long, gotten too complicated and requires an unwarranted amount of effort. The Draft PSP for Step 2 would make this unfortunate situation worse.

Overall, based on our experience working with the local partners implementing projects under this program, the current Draft PSP for Step 2 will cause significant burden to our small agencies and in some cases will render them unable to continue application to this program. After the significant input of time and effort in Step 1, it is our hope that application requirements will be lessened to enable us to complete Step 2. Our experience with Step 1 has been that an undue work load was placed on the regional agency which, in our case, is in place for technical assistance to water districts and cities. Because many of the requirements are difficult for our small cities and water districts to complete, the regional agency was put in a position of handling many of the more cumbersome requirements on behalf of smaller agencies. We accepted the State's assertion that the two step process was to make the process more predictable; we do not accept that it should make the process impossible for some.

It is our understanding that an integrated regional approach was included in Prop 50 Chapter 8 to promote integrated and multi-benefit water resource projects selected by local stakeholders within a region. By this regional approach, more control on project selection would be assigned to the regions reducing the need for detailed State oversight necessary in justifying support for projects. However, the 18 detailed documentation attachments in the Draft PSP regarding project information and the level of information requested in the attachments seem to greatly exceed the need for the State's decision on a regionally-centered program.

Based on feedback from other applicants who have attended workshops, we understand the DWR's desire to be able to justify to legislators the quantifiable value of proposed State funded projects. However, a more simplified quantification of benefit can be attained for proposal justification without requirements for such in depth economic analyses that can be summarized in order to succinctly communicate benefits of projects to upper management and legislators. Further, the current Step 2 Draft PSP suggests that when economic analyses of non-quantifiable benefits are required, a narrative justification is requested. Such narrative justifications are so subjective in nature and dependent on the reviewers' background and understanding, the requirement becomes overly burdensome and unnecessary to both the State and the applicant. Many successful SWRCB grant programs defining water quality projects have been administered by the SWRCB staff and yet no past problems are provided to justify this new level of information.

We encourage significant modifications be made to the Step 2 process as defined in the comments below.

General Comments

This list of comments was originally drafted by another applicant. Upon reviewing these comments, the Santa Barbara County Water Agency agrees and supports all the comments below.

- *We are concerned about the time to prepare the Step 2 proposal considering the substantial amount of data requested and the time required by the State to review the proposal details. We recommend that more responsibility be placed on the implementing agencies to assure project implementation and performance. The current proposed process will be quite burdensome to smaller agencies and less mature groups.*
- *We are concerned with the amount of data duplication. Why ask again for basic descriptive information provided under Step 1 PSP which is unlikely to change or be modified? For example, most of Attachment 1 - Authorizing Documentation and Attachment 2 – Eligible Applicant documentation will not change from what was submitted under Step 1.*
- *We are concerned that the amount of information required is overly detailed, considering the intent of the Grant Program is to assist project implementation for*

agencies that do not have complete sufficient local funds or are disadvantaged communities. This requirement for data puts these agencies projects at a great disadvantage and seems to be contradictory to the programs intent. Agencies which are financially strapped will not be able to prepare all of the necessary project information, not without having all of the required funding in place, nor one year ahead of schedule.

- *We are concerned about the volume of data requested for within the proposal. For a large regional proposal, such as the one submitted by [SBCWA (14 projects) with 12 project agencies], the required data being requested for each of the projects and agencies under Step 2 would be overwhelming. Because of this detail the costs required to complete the requirements become a high stakes gamble more likely to discourage participation than encourage it.*

Finally, we remind you that the voters passed Prop 50 to meet certain public policy objectives; we are unable to find detailed quantification of benefit as justification to legislators as one of those objectives. A fair argument could be made that the State has produced than enough plans in the last 10 years, and now expects regional (IRWM) plans as a basis for justifying a huge backlog of badly needed projects. Local agencies have accepted that approach, even though some believe the IRWM Plans are not needed and are burdensome. We regard adding another layer of unnecessary analysis this late in the process is unfair and bordering on an abuse of the Prop 50 process.

We appreciate the opportunity of providing comments on this PSP and look forward to working with the SWRCB and DWR on the application process.

Sincerely,

Robert Almy, Manager
Santa Barbara County Water Agency

cc: County CEO
Public Works Director
Special Districts Association of Santa Barbara County
Santa Barbara County Region Proposition 50 circulation list